

**MINUTES OF THE  
GOVERNOR'S BOARD OF ECONOMIC DEVELOPMENT**

October 19, 2007 • 10:00 a.m. to 12:00 p.m.  
324 South State Street, Suite 500  
Salt Lake City, Utah

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**Members Present:** Ragula Bhaskar, Bill Boyle, Jack Brittain, Mary Draper, Stanley Ellington, Molonai Hola, Mel Lavitt, Nikos Linardakis, Amy Rees Lewis (by phone), Richard Nelson, Jerry Oldroyd, Gerald Sherratt, Cliff White

**Members Absent:** James Sorenson

**Visitors:** Colleen Burke, Charles James Caylas, Jeff Edwards, Tauni Everett, Reed Jacobs, Samantha Julian, Stan Kanarowski, Jessica Turner, Brice Wallace

**Staff:** Luke Behrmann, Andrea Breisch, Clark Caras, Doug Clark, Connie Gates, Amy Hamblin, Franz Kolb, Fred Lange, Bill Loos, Derek Mellus, Marshall Moore, Jason Perry, Pete Pletsch, Chuck Spence, Michael Sullivan, Adam Walden, Marshall Wright

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**Welcome –**

**Approve September 2007 Minutes**

**MOTION: Cliff White moved to approve the minutes of the September 21, 2007 GOED Board Meeting. Jack Brittain seconded the motion. Motion carried unanimously.**

**Committee Reports**

*Incentives Committee*

**The Hershey Company**

Company Request:

- Company is requesting an incentive to offset higher lease costs for a potential site compared to out-of-state locations. The difference is \$527,000 per year (\$5,270,000 over 10 years).

Project Highlights:

- 123 new full time jobs in Ogden, Utah
- Company Projected Wages: \$36,829 average salary which is 149% of the Weber County median wage
- New State Revenue: \$13,009,000 over 10 years
- New State Wages: \$48,860,000 over 10 years
- Capital Investment: \$38,000,000
- ROI Multiple: 5.0 times
- Competition: Arizona and Nevada

Local Incentives:

- City of Ogden is working on an incentive package in excess of \$3,000,000 including land, rail and road infrastructure, and utility improvements.

It was explained that the company would hire a third party to run the day to day operations of the facility.

**MOTION: Jerry Oldroyd moved to approve for The Hershey Company, a post performance EDTIF incentive not to exceed \$2,600,000 rebating 20% of new state revenue over a 10 year period in Ogden. Mary Draper seconded the motion. Motion carried unanimously.**

**Requirements:**

- Company must commit to keep operations in Utah for 10 years
- Average salary for new positions created must be equal to or greater than 140% of the Weber County Median Wage
- Subject to a local incentive from Ogden City of at least \$3,000,000
- Company to require third party labor provider to allow the State access to payroll tax records and agree to forgo any potential State incentive in connection with this project.

## **Southern Classic Food Group, LLC**

### Company Request:

- A \$300,000 incentive to offset higher than expected labor and real estate costs in Utah

### Project Highlights:

- 94 new full time employees in Ogden, Utah
- Company Projected Wages: \$34,453 average salary which is 140% of the Weber County median salary
- New State Revenue: \$1,262,000 over 10 years
- New State Wages: \$22,332,000 over 10 years
- Capital Investment: \$10,260,000
- ROI Multiple: 4.2 times
- Competition: Other un-disclosed Western states

### Local Incentives:

- Business Depot Ogden and Ogden City are working on an incentive package worth up to \$1,500,000

There was discussion on the labor costs and the reasons why they would like to come to Utah.

**MOTION: Jerry Oldroyd moved to approve for Southern Classic Food Group, LLC an Industrial Assistance Fund incentive not to exceed \$300,000 to start up their western manufacturing facility and create up to 100 new jobs. Cliff White seconded the motion. Motion carried unanimously.**

- \$150,000 to be granted upon the startup of production at the new facility
- Up to \$150,000 for the creation of up to 100 new jobs, granting \$1,500 per job created

### **Requirements:**

- Company must commit to keep operation in Utah for 10 years
- Average salary of new positions created must equal to 125% of the Weber County median salary
- Subject to a local incentive from BDO and/or Ogden City in excess of \$1,000,000

## **MPIF – The Glass House**

### Project Request:

- Application type: MPIF
- Category: Feature (Independent)
- Dollars left in state : \$2.33 Million
- Requested estimated rebate at \$500,000
- Average Salary for 101 Utah cast and crew is \$475 per day
- Film production will total 55 days

### Incentive Rebate Percentages:

- Amount of budget to be spent in Utah: \$2.33 Million which represents 64% of the total budget of \$3,648,901.

### Demonstrate Readiness Requirements:

- Financing: 100% in place
- Distribution agreement: self distribute to select cities
- Completion Bond: sufficient resources are available to guarantee the project's completion.

### Project schedule:

- Beginning preproduction: 3/3/2008 – 3/28/2008
- Beginning Photography: 3/31/2008 – 5/2/2008
- Begin Wrap: 5/5/2008 – 5/16/2008

**MOTION: Jerry Oldroyd moved to approve for Liberty Studios, Inc., for the film, The Glass House, an MPIF rebate not to exceed 15% of the total dollars left in state. The total dollar amount of the rebate shall not exceed \$350,000. Gerald Sherratt seconded the motion. Motion carried unanimously.**

## **MPIF – Waiting for Forever**

### Project Request:

- Application type: MPIF
- Category: Feature (Independent)
- Dollars left in state : \$4,300,000
- Requested estimated rebate at \$500,000
- Average Salary for 72 Utah crew is \$2,000 per week

- Film production will total 32 days

Incentive Rebate Percentages:

- Amount of budget to be spent in Utah: \$4,300,000 which represents 86% of the total budget of \$5,000,000.

Demonstrate Readiness Requirements:

- Financing: Private Equity – James Keach and Future Films
- Distribution agreement: KMI International (Kathy Morgan) and Future Films are handling the distribution
- Completion Bond: At present they are not considering a completion bond as with their last film shot in Utah

Project schedule:

- Beginning preproduction: November 17th
- Beginning Photography: 4-5 weeks
- Begin Wrap: January

**MOTION: Jerry Oldroyd moved to approve for PCH Films, for the film, Waiting for Forever, an MPIF rebate not to exceed 15% of the total dollars left in state. The total dollar amount of the rebate shall not exceed \$500,000. Nikos Linardakis seconded the motion. Motion carried unanimously.**

**EDZONE**

Establish an Economic Development Zone for purposes of supporting the location of the FiberTek Project in Juab County, Utah.

**MOTION: Jerry Oldroyd moved to approve the creation of an Economic Development Zone for Juab County in support of their resolution and map detailing the zoning and boundaries of the FiberTek Project. Jack Brittain seconded the motion. Motion carried unanimously.**

**GOED Report**

Jason Perry presented news clips highlighting Proctor and Gamble coming to Utah and the state's recruitment initiative. A copy of an editorial from the Deseret Morning News was handed out regarding the incentive that was offered by the State to the Proctor and Gamble Company. Each board member was also given a copy of the new Utah Life Elevated book. It was announced that there will be a ground breaking ceremony for Thermo Fisher Scientific in Logan and a ribbon cutting ceremony/ grand opening for Amer Sports in Ogden.

Jeff Edwards, President and CEO of EDCUtah, presented some updated information and metrics on the organization's projects.

Franz Kolb spoke about the upcoming trade mission to India. There will be 13 businesses and 11 educational institutions participating. Board Member, Jack Brittain explained some of the things that the University of Utah will be participating in during the trade mission.

Fred Lange gave a report on the PTAC Symposium. Each board member was given a bag with information that was handed out at the symposium.

It was announced that board member, Molonai Hola, was awarded the Ethnic Businessman of the Year Award.

Richard Nelson spoke about the new Quality Workforce Task Committee. The committee will include industry and business leaders from around the area. Mr. Nelson also spoke briefly about the report that GOED and the Fund of Funds presented at the last Interim Committee. The annual Hall of Fame event is coming up soon, individuals who have greatly contributed to the IT and Life Science industries will be honored.

There was a request to have a report on S.B. Rural Fast Track Program.

The next board meeting may be in Price, UT, more information to come.

Meeting adjourned.